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REVIEW OF PROGRESS IN THE IMPLEMENTATION OF THE PROGRAMME OF ACTION OF THE SECOND UNITED NATIONS CONFERENCE ON THE LEAST DEVELOPED COUNTRIES

- UNCTAD's CONTRIBUTION TO THE FOLLOW-UP OF THE PROGRAMME OF ACTION

Note by the UNCTAD secretariat

To assist delegations in their discussions under item 5, the Report of the Secretary-General of the United Nations on the outcome of the Second United Nations Conference on the Least Developed Countries (A/45/695) is attached hereto.

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DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION: REVIEW AND APPRAISAL OF THE IMPLEMENTATION OF THE SUBSTANTIAL NEW PROGRAMME OF ACTION FOR THE 1980s FOR THE LEAST DEVELOPED COUNTRIES

Second United Nations Conference on the Least Developed Countries

Report of the Secretary-General

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I. INTRODUCTION

1. Pursuant to General Assembly resolution 42/177 of 11 December 1987, the Second United Nations Conference on the Least Developed Countries, hosted by the Government of France, was held at the headquarters of the United Nations Educational, Scientific and Cultural Organization (UNESCO) in Paris from 3 to 14 September 1990. The General Assembly had designated the United Nations Conference on Trade and Development (UNCTAD) as the focal point for the preparations of the Conference, and the Secretary-General of UNCTAD served as its Secretary-General. The Conference, in which 150 Governments participated, reviewed the socio-economic progress in the least developed countries during the 1980s; progress in international support measures during that decade; and a Programme of Action for the Least Developed Countries for the 1990s, containing national and international policies and measures for accelerating the development process in those countries during the coming decade. It also adopted a political declaration, the Paris Declaration.

2. In its resolution 44/220 of 22 December 1989, recalling its resolution 42/177, as well as its resolution 43/186 of 20 December 1988, the General Assembly requested the Secretary-General to submit a report to the Assembly at its forty-fifth session on the outcome of the Second United Nations Conference on the Least Developed Countries. The present report has been prepared in response to that request. Section two provides an assessment of the outcome of the Conference; and section three contains an account of the preparatory process for the Conference, focusing on activities undertaken in response to the relevant paragraphs in Assembly resolution 44/220.

II. OUTCOME OF THE SECOND UNITED NATIONS CONFERENCE ON THE LEAST DEVELOPED COUNTRIES

3. The Second United Nations Conference on the Least Developed Countries, held in Paris in September 1990, was an occasion to draw world attention to and bring into political focus the problems of the weakest and poorest members of the international community. Drawing on the experience and lessons from the 1980s, it was able to agree on the strategies and development priorities for those countries for the coming decade, taking into account the variety and diversity that they present. At its closing plenary meeting on 14 September 1990, the Conference unanimously adopted the Programme of Action for the Least Developed Countries for the 1990s and a final declaration, the Paris Declaration, 1/ proclaiming participants' commitment to implementing this Programme throughout the decade.

4. Taken together, the Paris Declaration and the Programme of Action reflect a strong commitment of the international community to act urgently and effectively to arrest and reverse the deterioration in the socio-economic situation in the least developed countries and to revitalize their growth and development, based on the principle of shared responsibility and strengthened partnership. The Programme of Action contains several novel features. It incorporates a number of new concepts and addresses areas of concern that have emerged during the past decade. Overall,

this Programme can be seen as making a qualitative step forward beyond the Substantial New Programme of Action for the 1980s for the Least Developed Countries adopted by the first Conference in 1981. 2/

5. A basic feature of the Programme of Action is the recognition that development centred on human welfare is much broader and more complex than a linear process of growth and that stress should be laid on non-economic factors and objectives of development. The democratic and equitable participation of all social actors is essential. The guidelines contained in the Programme are predicated, however, on the reality that economic growth in the least developed countries is indispensable for the attainment of the other objectives of the Programme.

6. Noteworthy features of the Programme of Action are also the comprehensive treatment of structural adjustment, resource flows and debt, and the emphasis given to the role of different actors - particularly women, entrepreneurs and non-governmental organizations. The Programme underlines that national policies to foster sustainable growth should aim at improving the flexibility and responsiveness of economies, ensuring the effective allocation and use of resources, and facilitating adjustment to changes in the external environment - without detriment to basic living standards or long-term growth potential. In the same context, it gives encouragement to the use, as appropriate to the particular circumstances of each country, of market signals and competitiveness in promoting entrepreneurial initiative and in optimizing the contributions of the public and private sectors. Moreover, it sets forth guidelines on the mobilization of national resources and the promotion of domestic and foreign investment. The Programme of Action nevertheless makes it clear that national policies have little chance of succeeding without a supportive external environment and supportive international action, including substantial and sustained financial flows, a durable solution to the debt problem and improved access to markets.

7. The recognition of effective follow-up and monitoring as key to the successful implementation of the Programme of Action is one of its significant features. In this respect, the Conference agreed on a system of national, regional and global follow-up to monitor the effective implementation of commitments and ensure the operational character of the Programme. Effective mechanisms to implement the Programme must be an immediate result of the Conference. Moreover, linkages between different levels of follow-up must secure that the global context is borne in mind in planning and undertaking action at the national level and provide flexible responses to changes in the international economic environment.

8. The adoption by broad consensus of the Programme of Action for the Least Developed Countries for the 1990s constituted a major success of the Second United Nations Conference on the Least Developed Countries. The following sets out the main features of the new Programme, highlighting some of the new areas of emphasis, the implications of agreements in key areas and major issues requiring follow-up.

A. The Paris Declaration

9. In the Paris Declaration, participants in the Conference stated that the Programme of Action demonstrates their unanimous determination to promote an ambitious development policy and that its success rests on the effectiveness of national policies, a favourable international economic climate and a strengthened partnership based on mutual commitments. Participants defined five priority areas in this Programme: (a) to conduct a macro-economic policy, taking account of market signals and aimed at accelerating long-term growth and development, showing concern for the situation of the most vulnerable groups of the population; (b) to develop human resources; (c) to reverse the trend towards environmental degradation, to manage the environment with a view to the effective and durable utilization of natural resources and to reinforce action to deal with disasters; (d) to promote an integrated policy of rural development; and (e) to develop a diversified productive sector.

10. In order to help achieve those priorities, participants agreed on the need to reinforce the efforts of the least developed countries with external support measures. The essential role of official development assistance (ODA) for those countries was recognized, and its amount should be substantially increased. Participants also affirmed their determination to pursue their efforts in the context of the international debt strategy and to contribute to the improvement of the international economic climate and to the integration of the least developed countries into the international trading system.

B. The Programme of Action for the Least Developed Countries for the 1990s

11. The Programme of Action for the Least Developed Countries for the 1990s is a comprehensive statement of strategy and policy, which delineates the national and international actions that need to be pursued during the 1990s. It enunciates the basic principles that should guide the relationship between the least developed countries and their development partners. It develops a global framework containing the following broad elements: macro-economic framework; financing growth and development (domestic and external resources); external indebtedness of least developed countries; external trade; and strengthening economic and technical co-operation between least developed countries and other developing countries. In the area of sectoral policies and measures, the Programme of Action includes two broad sections: mobilizing and developing human capacities in least developed countries; and development, particularly expansion and modernization of the economic base. The Programme also contains a section on arrangements for implementation, follow-up and monitoring and review at national, regional and global levels.

12. The salient, novel features of the Programme of Action relate to: (a) the basic principles; (b) the macro-economic policy framework which provides the basis for structural transformation of the economies of the least developed countries; (c) a new approach to external resources, including targets for official development assistance; (d) the comprehensive treatment of the external debt of the

least developed countries; (e) the emphasis given to the need for democratic and equitable participation of all social actors in the development process; and (f) the recognition of the need for a strengthened and effective follow-up and monitoring mechanism.

1. Assessment of the socio-economic situation in the 1980s

13. The Programme of Action is prefaced by a section entitled "Assessment of the socio-economic situation in the least developed countries in the 1980s", which provides an assessment of the overall performance of the economies of those countries, as well as policies and measures undertaken by them at the national level in key areas, and the external environment facing them. It is acknowledged that, despite national and international efforts on behalf of those countries, the social and economic situation of the least developed countries as a whole worsened during the 1980s. Of particular concern was the rapid deterioration in their social conditions. There was a broad consensus on the factors that contributed to that worsening state of affairs, including national problems (such as interaction of population growth, poverty and environmental degradation, problems associated with the design and implementation of structural adjustment programmes, natural disasters) and adverse external conditions (such as depressed commodity prices, difficulty of access to markets, and lower than expected aid flows). It is noted that external debt servicing emerged as a major problem for most least developed countries during the 1980s.

14. In the concluding part of that assessment, it is recalled that during the latter half of the 1980s, major policy reforms were initiated by many of the least developed countries to carry out a structural transformation of their domestic economies. At the same time, measures taken by a number of donors in the areas of aid, debt and trade are noted. Some improvements were also observed over the 1980s in the mechanisms for distributing and co-ordinating aid.

2. The Programme of Action

(a) Basic principles

15. The Programme of Action outlines a number of principles that should constitute the basis for action for the least developed countries, their development partners, including international organizations, financial institutions and development funds. Concerned non-governmental organizations, including particularly indigenous non-governmental organizations, are also requested to participate in the Programme of Action. The basic principles stress the following themes: shared responsibility and strengthened partnership as vital to success of the Programme; least developed countries having the primary responsibility for the formulation and implementation of development policies and priorities; the need for adequate external support by development partners; commitments and strengthened joint efforts by least developed countries and development partners to render the Programme of Action operational, to implement its constituent parts and to ensure

coherence and complementarity between national and international efforts. It is emphasized that commitments undertaken should be measurable and sufficiently transparent to enable monitoring and assessment of the Programme of Action.

(b) The macro-economic policy framework

16. The Programme of Action recognizes that the objective of macro-economic policy is to create a favourable environment and constitute a basis for sustained economic growth and long-term development of the economy. It brings out the importance of reconciling the requirements of a long-term development strategy with the need to re-establish macro-economic balance rapidly. The design of structural adjustment policies should take into account social factors, and development partners should support efforts to protect the poorest and most vulnerable groups in a manner consistent with the overall programme. Policies and measures should focus on the basic transformational needs of the least developed countries. The policy guidelines established cover, inter alia, such aspects as paying particular attention to linkages among various economic activities; establishing external, monetary and fiscal stability; creation of conditions for necessary investment; and broad guidelines for subsidies, price controls and income distribution.

(c) External resources

17. With respect to the financing of growth and development of the least developed countries during the 1990s, the Programme of Action recognizes that for them to reach a modest per capita growth, even within an appropriate policy environment, they would need a consi increase in domestic savings and development assistance. The intern community, particularly the developed countries, committed itself to a sig.. .cant and substantial increase in the aggregate level of external support.

18. The formulation of a target for concessional resource flows commensurate with the required increase in external support was one of the key issues before the Conference. The Programme of Action provides for targets that map out more clearly than before the different undertakings given by the donors in that regard. Separate provisions have been spelled out for donor countries grouped according to their aid policy and performance vis-à-vis the least developed countries, so that donor countries in those different groups should increase their efforts and improve their performance. Those already providing more than 0.20 per cent of their gross national product (GNP) as official development assistance (ODA) to the least developed countries should continue to do so and increase their efforts. Those donor countries which have met the target of the Substantial New Programme of Action for the 1980s for the Least Developed Countries of 0.15 per cent should undertake to reach 0.20 per cent by the year 2000, and the others committed to the 0.15 per cent target should undertake to achieve that target within the next five years or make their best efforts to accelerate their endeavours to reach it. Other donor countries should, during the period of the Programme of Action, exercise individual best efforts to increase their ODA to least developed countries with the effect that collectively their assistance to those countries should increase. It is noteworthy that all countries joined in the consensus on the set of targets for the provision of concessional resources contained in the new Programme of Action.

19. The alternative undertakings under this new approach allow for measurability of donors' commitments. By encouraging each donor to improve its aid performance, they should contribute to increasing significantly the volume of aid to the least developed countries during the 1990s. The United States of America and Japan - two major aid donors to these countries - and the Union of Soviet Socialist Republics made statements at the closing plenary meeting of the Conference, indicating full support to the ODA undertakings in the Programme of Action and the willingness of their Governments to increase efforts to provide additional resources to the least developed countries. Neither the United States nor the USSR had committed themselves to the aid targets of the Substantial New Programme of Action. Japan, on that occasion, acknowledged 0.15 per cent of GNP as a widely accepted goal for the aid flow to least developed countries and indicated that it would bear that in mind in increasing its efforts to help them. During the Conference itself, two other leading donors to those countries, France and Italy, proclaimed their commitment to the 0.20 per cent target.

20. Preliminary estimates made by the UNCTAD secretariat after the adoption of the Programme of Action indicate that implementation of those undertakings by all donors concerned could result, in real terms, assuming that real GNP growth in those donor countries will be about 3 per cent annually on the average throughout the decade, in a volume of ODA to the least developed countries reaching a level of almost 50 per cent above the 1988 level in 1995 and over 90 per cent above the 1988 level in the year 2000. 3/ Those levels would cover about two thirds of the estimated ODA requirements of those countries under the recovery scenario presented by the UNCTAD secretariat before the Conference. Accordingly, they would result in an average growth rate of the gross domestic product (GDP) of the least developed countries of about 1 per cent point lower than the one envisaged in that scenario. 4/ Considering that there are few indications of renewed rapid growth in overall aid volumes in the 1990s, increases of that magnitude in the flow of concessional resources to the least developed countries would be a positive outcome. On the other hand, as they would not fully meet projected external capital requirements of those countries for the decade, ways and means to raise additional financing would need to be sought to enable that group of countries to attain accelerated economic growth.

21. Furthermore, allowance has to be made for the impact of recent developments in the Middle East, including fluctuations in the oil market, reduced demand for least developed countries' exports from important trading partners and reduced inflows of workers' remittances, which were not taken into account at the time of the adoption of the Programme of Action and which call for further additional financing. It is estimated that the impact of the increase in oil prices and related developments would reduce least developed countries' GDP growth rate during the next decade by another percentage point.

22. With respect to the essential role of ODA, the Programme of Action also lays down that the bulk of assistance should be provided in the form of grants and that it must be managed effectively and with transparency. The Programme sets out a number of recommendations for improving aid modalities and aid effectiveness. Moreover, it spells out the steps to be taken in order to expand external private non-debt-creating flows.

(d) External indebtedness of the least developed countries

23. The Programme of Action contains a comprehensive assessment of the problem of the external indebtedness of the least developed countries, and offers a broad indication of the action that needs to be taken to resolve it. It is recognized that the debt overhang continues to be a major hindrance to the development plans of the least developed countries, making economic adjustment with growth extremely difficult and risking the undermining of the essential political commitment to reform. The Programme underscores the need for strengthened efforts on the international debt strategy, and calls for concrete measures to alleviate the debt burden and increase concessional financing.

24. As regards bilateral concessional or ODA debt, all donors are urged to implement measures to cancel or provide equivalent relief for such debt as a matter of priority. As noted below, further action is already being taken in that area.

25. The Programme of Action also contains a number of important recommendations pertaining to other official bilateral (i.e. non-concessional) debts. The Paris Club is invited to continue to apply Toronto terms and to consider the application of those terms to all least developed countries seeking to reschedule their official debts according to its established procedures and criteria. Moreover, the relevant authorities are encouraged to continue discussions, as a matter of priority, to address the debt burdens and maximize the effectiveness of measures to alleviate them and the development problems arising therefrom. The Paris Club is urged, taking into account the July 1990 Houston Summit Communiqué, to review implementation of the existing Toronto options that apply to least developed countries and also to review additional options that may be necessary. The discussions could include proposals made by some Governments, which would involve further measures to reduce the debt burden of those countries. Significant proposals have already been made for official bilateral debt reduction in line with the recommendations in the Programme of Action. During the Conference itself, Netherlands proposed that creditor nations collectively grant complete cancellation of bilateral official debt to the poorest developing countries facing severe debt problems, including in particular severely indebted least developed countries. Subsequently, the United Kingdom of Great Britain and Northern Ireland, at the Commonwealth Finance Ministers' Meeting in Port of Spain in September 1990, launched an initiative on official debt relief for the poorest countries, proposing an improvement in the Toronto terms, notably by an initial write-down of two thirds of outstanding official debt.

26. As regards bilateral concessional debt, the President of France, in addressing the Conference, announced the cancellation by his country of such loans to the least developed countries in other regions of the world, in addition to action already undertaken to cancel the debt of the African least developed countries. Further action in the debt area from which the least developed countries are expected to benefit have been announced to the General Assembly by Kuwait and by Qatar.

27. In the part of the Programme of Action dealing with debt to multilateral institutions and development funds, all the institutions concerned, particularly

those providing non-concessional credits, are invited to give serious attention to measures to alleviate the burden of the debt least developed countries owe to them, bearing in mind the need to preserve the sound financial basis and credit rating of those multilateral institutions and development funds and the revolving nature of their resources. The United States made a formal reservation on the paragraph in the Programme of Action containing this provision. 5/ With respect to commercial debt, donors, commercial banks and non-governmental organizations are encouraged to consider various mechanisms to alleviate the commercial debt burden.

(e) External trade

28. The part of the Programme of Action relating to external trade underscores that urgent steps are needed to provide improved market access for products originating from least developed countries and that there is scope for further improvement of the generalized system of preferences (GSP) schemes and improved utilization of the benefits conferred. Agreement was reached that special attention should be given within the framework of multilateral trade negotiations to least developed countries' needs and to areas such as advanced implementation of most favoured nation concessions, elimination or substantial reduction of tariffs and non-tariff barriers, the fullest possible liberalization of trade in textiles and clothing, as well as other special measures for least developed countries. Specific measures relating to greater utilization and improvement of GSP schemes are also spelled out. The Programme of Action furthermore deals with diversification of exports, commodities and compensatory financing, recognizing, inter alia, the importance of compensatory financing as a short-term measure to help absorb the shock of sharp swings in export receipts so that least developed countries can maintain a stable economic policy framework.

(f) Mobilizing and developing human capacities in the least developed countries

29. One of the most notable aspects in the Programme of Action concerning actions at the national level is the emphasis placed on the need for development to be human-centred and broadly based, enabling all actors in society to participate fully and freely in the development process. The Programme emphasizes that men and women are the essential resources and beneficiaries of the development of the least developed countries; the mobilization and development of those human resources are a crucial factor in promoting sustained and increasingly self-reliant socio-economic development. Policies in that area during the 1990s should focus on the full involvement, integration and participation of all groups, especially women, in the development process; and on the strengthening of human capital, in particular through access of the population to basic and adequate social services, with special priority for education. As investment in human capital needs substantial resources, the countries themselves should seek to direct more resources to social services: but the international community is also called upon to give adequate attention to financial and technical assistance to the efforts of the least developed countries in that area.

30. The Programme of Action calls for all countries to broaden popular participation in the development process and, in that context, highlights respect for human rights, stating that it constitutes a universal obligation and stimulates

the creativity, innovation and initiative necessary for socio-economic development. Its fulfilment, along with democratization and observance of the rule of law, is a part of the process of development. The Programme further states that each country may freely determine its own ways of advancing towards those objectives and that progress should be encouraged and supported by the international community, through development co-operation efforts among development partners.

31. The Programme of Action further underlines the importance of promoting measures aimed at increasing the motivation and the opportunities of all social and economic actors, public as well as private, to participate fully in the development process of the least developed countries. In that respect, the Programme stresses the need for the improvement and expansion of the institutional capabilities and efficiency of the least developed countries and of further decentralization, democratization and transparency at all levels of decision-making. The need for responsiveness to the needs of the population and for facilitating local participation in the implementation of development activities are also brought out.

32. As regards the role of enterprises, the Programme of Action recognizes the need for pragmatic approaches to balance public and private-sector involvement in the development of the least developed countries. While measures should be taken to foster entrepreneurial capacity and private capital, which is scarce in those countries, public enterprises will continue to play an important but supportive role. The prime objective of policies affecting the public sector should be a marked increase in the efficiency and productivity of State enterprises. It is noted that private enterprises, as well as industrial and rural co-operatives, can play a greater role in transforming the economies of those countries and achieving national development objectives. The development of entrepreneurship should be stimulated and motivated by policies aimed at creating a more favourable economic environment for the local initiatives of the private sector. Specific programmes for private enterprise development should address, inter alia, promotion of domestic and foreign direct investment and of small-scale ventures and micro-enterprises, including those within the informal sector, and the development of entrepreneurial skills.

33. The Programme of Action separately addresses the specific measures needed to promote the full participation of women in the development process, and the role of the non-governmental organizations. Least developed countries should seek to mobilize and involve women, both as agents and beneficiaries of this process. Their role in development should be strengthened, inter alia, through better access to health care, education and training and to rural credit. The effectiveness of the non-governmental organizations in promoting participatory development is recognized. Co-operation between such organizations in developed countries and local partners in the least developed countries and their role in mobilizing support and sensitizing public opinion are stressed.

34. Three areas that play a key role in strengthening the human capital in the least developed countries are identified in the Programme of Action: population policies, health services and education and training. Objectives set in those three areas include achieving an optimal balance in population growth, improving

education and training standards, and raising health and sanitation standards to internationally recognized objectives. Within the framework of the follow-up to the Programme of Action, it is expected that each individual least developed country will formulate measures and programmes with social objectives and targets corresponding to its specific situation and needs. Donor countries and organizations would be called upon to assist them in designing and implementing such programmes and to provide financial and technical support accordingly.

(g) Development, particularly expansion and modernization of the economic base

35. In the part of the Programme of Action dealing with the development of the economic base of the least developed countries, detailed policy provisions are outlined for such vital areas as rural development, agriculture and food security; development of industrial, service, scientific and technological base; infrastructure; and environment. The Programme of Action also addresses the special problems of the land-locked and island countries among the least developed countries, as well as disaster mitigation, preparedness and prevention. With respect to the latter, it was agreed that the least developed countries should receive priority attention in the activities of the International Decade for Natural Disaster Reduction.

36. Agreement was reached on a substantial section dealing with environment and development in the least developed countries. The Programme of Action recognizes that their vulnerability in that regard is exacerbated by a specific set of environmental problems, such as soil degradation and erosion and drought and desertification, which impair prospects for their development; and that the twin problems of poverty and environmental degradation have to be tackled simultaneously. Long-term sustained growth and sustainable development are essential and will enhance the capacity of those countries to protect the environment. The Programme of Action calls for due attention to be given those concerns in domestic policy-making and for the channelling of additional resources, both in terms of concessional finance and access to environmentally sound technology, to least developed countries in order to enhance their capacity to protect the environment. The Programme outlines the elements in an integrated, multi-disciplinary approach and other measures which need to be taken in this area. Moreover, the United Nations Conference on the Environment and Development, scheduled for 1992, is invited to address the environmental and developmental problems of the least developed countries and provide for measures to enable them to pursue their efforts to incorporate the environmental dimension into their development objectives and policies.

(h) Arrangements for implementation, follow-up and monitoring and review

37. The Programme of Action recognizes that effective follow-up and monitoring mechanisms are a key to its successful implementation. For this purpose, a system of national, regional and global level follow-up is provided for.

38. At the national level, a strengthened country review process should continue as the principal means of policy dialogue and co-ordinating the aid efforts of development partners with the development programmes of the least developed

countries, as well as mobilizing the required resources for their implementation. The United Nations Development Programme (UNDP) round tables and World Bank consultative groups will continue to constitute the backbone of the process to translate the principles and commitments of the Programme of Action into concrete measures at the national level. Those country review groups should be organized on a more systematic basis and countries that do not have regular groups should adopt that process. It is emphasized that the leadership of the least developed countries is central to the country review process. The focus on these countries' own policy framework plans, the need for a comprehensive approach to financial flows and for improved aid co-ordination, inter alia, through local co-ordinating groups, as well as the need for improving the overall administrative capacity of the least developed countries are also stressed.

39. At the regional level, progress in economic co-operation between the least developed countries and other developing countries, particularly countries in the same region, should be monitored by the United Nations regional commissions in close co-ordination with UNCTAD in order to improve and strengthen co-operation arrangements at the regional and subregional level. Cluster meetings should be organized regularly under the aegis of the regional commissions, which should also ensure that the needs and problems of the least developed countries are addressed as part of their ongoing work.

40. The Programme of Action designates UNCTAD as the focal point for the review and appraisal of the implementation of the Programme and its follow-up at the global level. That follow-up should focus on the following elements:

(a) Analysing and comparing the experience and lessons learned from policy framework plans and country level co-ordination arrangements;

(b) Assessing the economic and social performance of the least developed countries;

(c) Monitoring the implementation of the commitments and measures contained in the Programme;

(d) Reviewing the assistance of development partners;

(e) Monitoring in particular the involvement of women in the implementation of the Programme.

41. It is recommended in the Programme of Action that, in order to make the necessary links between the follow-up at the national and global level, the UNCTAD secretariat should continue to participate in the UNDP round-table process, and that it should be invited to participate in the World Bank Consultative Group process if so desired by the least developed countries.

42. The UNCTAD Intergovernmental Group on the Least Developed Countries should conduct a comprehensive mid-term review of the situation of the least developed countries and report to the General Assembly on progress in the implementation of the Programme and consideration of new measures as necessary. In addition, the

UNCTAD Trade and Development Board should review progress in the implementation of the Programme at each of its sessions on the basis of the UNCTAD annual report on the least developed countries. It was recommended that the UNCTAD Special Programme for the Least Developed Countries should be provided with sufficient capacity and resources to enable it to implement effectively its mandate on a timely basis.

43. The Secretary-General of the United Nations should ensure at the secretariat level the full mobilization and co-ordination of all organs, organizations and bodies of the United Nations system for the purpose of implementation and follow-up of the Programme. It was also recommended that the system of focal points in each United Nations agency should be strengthened for implementation tasks throughout the 1990s. Moreover, in the context of follow-up at the global level, the agencies most concerned should undertake sectoral appraisals at regular intervals.

44. In accordance with the provisions in the Programme of Action, a decision was made by the UNCTAD Trade and Development Board at the first part of its thirty-seventh session to include on the provisional agenda of the second part of that session, which will be held in March 1991, an item concerning review of progress in the implementation of the Programme. It is envisaged that the first session of the Board, upon taking up the agenda item, would devote itself primarily to a discussion of the contribution of UNCTAD to the follow-up of the Programme of Action. The Least Developed Countries, 1990 Report of UNCTAD will be made available to the Board.

C. Other issues

45. The Conference considered the issue of the criteria for classifying least developed countries and, in a separate decision, stated that it is desirable that the Committee for Development Planning completes its review of such criteria on an expeditious basis, with a view to submitting its recommendations to the Economic and Social Council and subsequently forward them to the General Assembly. The Conference also recommended that the review should introduce a dynamic element into the application of the criteria.

46. The Conference furthermore adopted a resolution on economic assistance and least developed country status for Namibia, recommending that Namibia should be given special treatment, as accorded to those countries, over the whole range of action in support of economic and social development, and inviting the General Assembly to consider the question of inclusion of Namibia in the list of least developed countries.

47. The Conference adopted a resolution expressing its gratitude to the Government of France and, in particular, to the President of the Republic, for its political commitment to the Conference, its generosity in hosting it, and its hospitality to the participants. It also recorded its thanks to the Presidents of Afghanistan, Bangladesh, Cape Verde, Djibouti, Equatorial Guinea, the Sudan and Uganda for their participation in the Conference, and to the Minister for Foreign Affairs of France, who presided over the Conference.

III. PREPARATORY PROCESS FOR THE SECOND UNITED NATIONS CONFERENCE ON THE LEAST DEVELOPED COUNTRIES

48. The Second United Nations Conference on the Least Developed Countries was preceded by a comprehensive preparatory process, in which Governments, both from the least developed countries themselves and other Member States, took an active part. The account provided below supplies additional information and brings up to date the report on the preparations for the Conference submitted to the General Assembly at its forty-fourth session (A/44/437). The specific contributions of the least developed countries and of donor countries to this process, as well as of intergovernmental and multilateral institutions, are set out under the relevant headings below.

A. Preparatory meetings

49. In its resolution 42/177, the General Assembly decided to convene, in order to prepare for the Conference, one session of the Meeting of Governmental Experts of Donor Countries and Multilateral and Bilateral Financial and Technical Assistance Institutions with Representatives of the Least Developed Countries, which was held in 1989, and one session of the Intergovernmental Group on the Least Developed Countries, which was held at Geneva from 26 March to 6 April 1990. The Intergovernmental Group, acting as the Preparatory Committee for the Second Conference, considered the substantive preparation for the Conference on the basis of the report of the above-mentioned meeting and of all other relevant inputs. The latter included the Declaration by the Ministers of the Least Developed Countries, adopted at their meeting at Dhaka (see para. 55 below) and a contribution by the Government of France containing proposals to assist the least developed countries. The Intergovernmental Group formulated a draft programme of action for the least developed countries for the 1990s, which it transmitted to the Conference, together with a provisional agenda, provisional rules of procedure for the Conference and recommendations for the organization of work of the Conference. The Chairman of the Intergovernmental Group also prepared a text on the assessment of the socio-economic situation in the least developed countries during the 1980s. That document and the draft programme of action served as a basis for negotiation at the Conference in Paris. 6/

50. In accordance with paragraph 1 of General Assembly resolution 44/241 of 17 May 1990, a two-day meeting for consultations among senior officials preceding the Conference was held in Paris on 30 and 31 August 1990. This pre-Conference consultation considered and made recommendations to the Conference on all outstanding organizational, administrative and procedural matters.

B. Mobilization and co-ordination of organs, organizations and bodies of the United Nations system

51. As requested by the General Assembly, organs, organizations and bodies of the United Nations system submitted to the above-mentioned preparatory meetings reports containing a review of the implementation of the Substantial New Programme of

Action for the 1980s for the Least Developed Countries, within their field of competence, and proposals for further action as input to the preparations for the Conference. 7/ Those reports were also made available to the Conference itself.

52. The Secretary-General, with the assistance of the Director-General for Development and International Economic Co-operation and the Secretary-General of UNCTAD, used the mechanism of inter-agency consultation to ensure the full mobilization and co-ordination of all organs, organizations and bodies of the United Nations system in the preparations for the Conference and in the Conference itself. In this context, an inter-agency consultation was held at Geneva on 19 and 20 September 1989, to review the preparatory work for the Conference. Organs, organizations and bodies of the United Nations system participated actively in the above-mentioned preparatory meetings and also contributed to the preparatory process for the Conference, inter alia, through participating in other preparatory activities undertaken by UNCTAD. In particular, the regional commissions and the Department of Technical Co-operation for Development of the Secretariat collaborated in the provision of advisory services to the least developed countries having requested support for their own preparations.

C. Preparations at the regional level

53. Preparations for the Conference were continued at the regional level under the aegis of the regional commissions. An Expert Group Meeting was held at Bangkok from 9 to 13 October 1989, reporting to the intergovernmental meeting on the ESCAP (Economic and Social Commission for Asia and the Pacific) least developed countries in preparation for the United Nations Conference on the Least Developed Countries, held at Bangkok from 19 to 23 February 1990. 8/ The ninth Meeting of the Intergovernmental Committee of Experts of African Least Developed Countries was held at Tripoli from 3 to 5 May 1990, preparatory to the 10th meeting of the Conference of Ministers of African Least Developed Countries, held at Tripoli on 14 and 15 May 1990. The Conference of Ministers adopted a statement on the draft Programme of Action for the Least Developed Countries in the 1990s, as well as a resolution on negotiations on a Programme of Action for the Least Developed Countries in the 1990s at the Second United Nations Conference on the Least Developed Countries. The Economic Commission for Latin America and the Caribbean, at its twenty-third session, adopted a resolution on support for Haiti (resolution 503 (XXIII) of 9 May 1990), and ESCAP, at its forty-sixth session, adopted a resolution on the Conference (resolution 46/4 of 13 June 1990). The statement of the Conference of Ministers of African Least Developed Countries, as well as the above-mentioned resolutions, were made available to the Conference.

D. Participation of the least developed countries in the preparatory process

54. As part of their preparations at the national level for the Conference, the Governments of all 41 least developed countries, at the invitation of the Secretary-General of UNCTAD, prepared country presentations that describe the socio-economic situation of the country during the 1980s and the major objectives

of ongoing development plans and programmes, identifying the key sectors requiring strengthened efforts to accelerate the development process during the 1990s, as well as international measures needed to support national efforts. Those country presentations were made available to the above-mentioned session of the Intergovernmental Group on the Least Developed Countries and to the Conference itself. 9/

55. Moreover, the Ministerial Meeting of the Least Developed Countries was held at Dhaka, from 10 to 12 February 1990, at the invitation of the Government of Bangladesh, in order to consider all aspects relating to the Second United Nations Conference on the Least Developed Countries and to elaborate the position of their countries on the issues to be addressed by the Conference and its preparatory meetings. The ministers adopted a declaration and a final document annexed thereto, the Dhaka Document, setting out a comprehensive assessment of the relevant socio-economic trends in least developed countries and their proposals for a plan of action for those countries for the 1990s. The Declaration of the Ministers of the Least Developed Countries, with the Dhaka Document, was submitted to the above-mentioned session of the Intergovernmental Group on the Least Developed Countries and formed part of the documentation for the Conference. Following a decision by the Ministerial Meeting of the Least Developed Countries, a mission of four Ministers visited a number of donor capitals in June 1990, in order to sensitize the donor community at the highest political level about the needs and problems of the least developed countries. The UNCTAD secretariat also carried out high-level consultations with the donor and least developed countries.

E. Preparatory experts' meetings

56. As input to the preparatory process for the Conference, UNCTAD organized a series of issue-oriented experts' meetings with the financial support from a number of donor countries. A meeting of eminent persons was convened in close collaboration with the Government of the Netherlands in September 1988, and a meeting on the role of the enterprise sector in the development of the least developed countries, hosted by the Government of Finland, was held in April 1989. Three other sectoral meetings were hosted by the Governments of Nepal, Niger and the USSR, respectively. The High-level Experts' Meeting on the Role of Non-governmental Organizations in the Development of the Least Developed Countries was held at Kathmandu from 8 to 10 November 1989, in co-operation with the German Foundation for International Development, and focused on ways and means of enhancing the effectiveness of the non-governmental organizations in achieving the development objectives of the least developed countries. The High-level Experts' Meeting on the Role of Women in the Development of the Least Developed Countries, held at Niamey from 29 to 31 January 1990, with financial support from the Governments of Canada, the Netherlands and Norway, reviewed the contribution of women to the formal and informal sectors in the least developed countries, the socio-economic constraints that they faced and the ways and means of strengthening their role in the development in those countries. The Symposium on Trade, Technical and Economic Co-operation between the Least Developed Countries and the Countries of Eastern Europe, held in Moscow from 28 February to 2 March 1990, reviewed and assessed trade, technical and economic co-operation between the least

developed countries and the countries of Eastern Europe during the 1980s and considered priority areas for action and international support measures in favour of the least developed countries in the 1990s. The reports from the above meetings were made available to the session of the Intergovernmental Group on the Least Developed Countries, held in March and April 1990, and to the Conference itself. Moreover, a meeting of senior experts was organized at Copenhagen from 22 to 24 November 1989 by the Government of Denmark, in close collaboration with UNCTAD, in order to consider the issues before the Conference.

F. Support to the preparatory process by the United Nations Development Programme and by other bilateral sources

57. Pursuant to decision 88/30 of the Governing Council of UNDP and to General Assembly resolutions 43/186 and 44/220, UNDP made a substantial contribution through the Special Measures Fund for the Least Developed Countries to assist the least developed countries in the preparation of the Conference, including in preparing their country presentations and in participating in the two preparatory meetings convened by the General Assembly. Initially, extrabudgetary resources amounting to $US 1,255,000 were made available for such assistance. Subsequently, the Governing Council of UNDP, in its decision 90/2 of 23 February 1990, requested UNDP to make an additional effort to compensate for the shortfall in funding for the preparation of the Conference and to ensure the full participation of the delegations of the least developed countries, including the high-level missions of the Governments of those countries aiming at enhancing international support in favour of the least developed countries. Additional allocations amounting to a total of $US 410,000 were made to provide funding for the above-mentioned Ministerial Meeting of the Least Developed Countries at Dhaka and, pursuant to decision 90/2 of the Governing Council, for covering the shortfall in financing the participation of three representatives from each least developed country in the Conference, as well as for funding the ministerial mission referred to above.

58. UNDP also supported the preparatory process at various stages, in particular through its resident representatives in the least developed countries, especially in matters relating to the preparation of country presentations and the participation of those countries in the Conference.

59. In addition to the support extended to the series of experts' meetings referred to above, donor countries also contributed to the preparatory process in other ways. The Government of Japan extended financial support for organizing the Dhaka meeting. A study on aid co-ordination and effectiveness in the least developed countries was prepared for the Conference, with financial support from the Government of Italy. The Government of Norway made contributions for assisting the least developed countries in preparing their country presentations and for publishing an atlas of those countries.

G. Public information activities

60. In paragraph 7 of its resolution 44/220, the General Assembly requested the Secretary-General, with the assistance of concerned organizations and bodies of the United Nations, to take the necessary measures to intensify public information efforts and other relevant initiatives to enhance public awareness in favour of the Conference, its objectives and its significance. In response to that request, the UNCTAD secretariat, in close collaboration with the Department of Public Information of the Secretariat, launched a number of public information activities, which included, inter alia, preparing information materials for journalists, the non-governmental organizations and the general public; special publications, including a supplement to Development Forum; a world-wide information campaign conducted through United Nations information centres and with the assistance of UNDP resident representatives; an eve-of-the-Conference press encounter, organized in Paris on 30 and 31 August; as well as regular information activities and exhibition and video programmes during the Conference. Some 450 journalists, including about 50 from the least developed countries, were accredited to the Conference.

61. Non-governmental organizations played an important role in mobilizing public opinion in support of the Conference's objectives. A special encounter encompassing non-governmental organizations from both developed and least developed countries was organized in connection with the session of the Intergovernmental Group on the Least Developed Countries, held in March and April 1990. A booklet setting out views of non-governmental organizations on the main issues before the Conference was widely distributed to government delegations and the media in Paris. Non-governmental organizations also organized a number of events in connection with the Conference. Representatives for 63 non-governmental organizations participated in the Conference itself.

Notes

1/ See A/CONF.147/Misc.9 and Corr.1 and Add.1.

2/ Report of the United Nations Conference on the Least Developed Countries, Paris 1-14 September 1981 (United Nations publication, Sales No. E.82.I.8), part one, sect. A.

3/ Official development assistance to the least developed countries amounted to $12.3 billion in 1988.

Notes (continued)

4/ Assuming appropriate domestic efforts by least developed countries to increase saving rates commensurate with the increased ODA flows. The external capital requirements projections presented by the UNCTAD secretariat before the Conference showed that the least developed countries could reach an annual average growth rate of some 5 per cent in the latter part of the 1990s, if they gradually raise their domestic savings rates to an average of 7 per cent of the gross domestic product and if they are at the same time provided an amount of ODA increasing to a level of $36 billion (in 1988 prices) by the year 2000, roughly corresponding to some 0.2 per cent of estimated donors' GNP at that time (see United Nations Conference on Trade and Development, The Least Developed Countries, 1989 Report (United Nations publication, Sales No. E.90.II.D.4), technical annex, pp. 123-127).

5/ See A/CONF.147/Misc.9/Add.1, para. 10.

6/ For the report of the Intergovernmental Group, see A/CONF.147/2.

7/ See A/CONF.147/PC/3 and addendum.

8/ A/CONF.147/PC/3/Add.10.

9/ UNCLDC II/CP/1-41.